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LATE FOREIGN DEVELOPMENTS

INDIA: First estimate of 1942 wheat production placed at 371,392,000 bushels, as compared with revised first estimate for 1941 of 383,227,000 bushels and final estimate of 373,520,000. Third estimate of area placed at 33,543,000 acres as against 34,110,000 and 34,862,000 acres, respectively, the revised third and final estimates for 1941.

ARGENTINA: Wool Federation has postponed until April 30, effective date new terms of sales reported last week in hope of acceptance that date by Boston-Philadelphia trade.

ENGLAND AND WALES: Among lowland sheep flocks, lambing is progressing well generally, and number of lambs is above average. Hill sheep have stood up well to hard winter, and losses have been small. Pastures were generally bare and backward. Winter fodder will be sufficient to carry through, but in most districts surplus will be very small. Feeder cattle and sheep are healthy but in rather lean condition. It is difficult to maintain milk yields at normal seasonal levels.

CORRECTION: The first official estimate of the 1941-42 Argentine corn crop was incorrectly given in the April 13 issue at 354,311,000 bushels as the result of an error in transmission. It should be corrected to 362,184,000 bushels.

G R A I N S

CANADIAN GRAIN STOCKS REDUCED . . .

Stocks of Canadian grain on hand March 31, with the exception of barley, were considerably reduced this year as compared with last, when they were at a record level. Total wheat stocks were more than 100 million bushels smaller; those in Canada were reduced by 74 million to 534 million bushels, and those stored in the United States were 29 million bushels under the high figure for 1941 of 44 million bushels. Total rye stocks, at 5.8 million bushels, were about half as large this year as last, and stocks of oats showed a decrease of about 38 million to less than 107 million bushels.

CANADA: Stocks of grain on March 31, 1938-1942

Year	Wheat			Rye total	Barley total	Oats total
	In Canada	In United States	Total			
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
1938	83,560	1,110	84,670	1,991	25,738	78,227
1939	200,976	1,828	202,804	4,974	35,793	145,754
1940	396,774	22,288	419,062	7,121	37,562	154,448
1941	608,413	44,040	652,453	10,211	35,834	145,153
1942	533,784	15,038	548,822	5,803	37,596	106,644

Dominion Bureau of Statistics, Ottawa.

Factors in the decline in stocks of wheat, other than reduced production in 1941, have been larger exports so far this season and increased feeding to livestock and poultry. Total exports of wheat, including flour as grain, during August-March amounted to about 135 million bushels, according to customs returns, as compared with 105 million in the corresponding period of 1940-41. A preliminary estimate of the wheat to be fed during the entire season was placed at somewhat more than 59 million bushels, an increase of 11 million bushels over the quantity fed last season. If realized, the estimate for 1941-42 will set a new record for the feeding of wheat in Canada.

Although farmers in Manitoba and Saskatchewan are expected to utilize a larger part of the wheat production of their respective Provinces for feed this year than last, the greatest increase is indicated for Alberta, where it is estimated that 25 million bushels will be consumed by livestock and poultry, as compared with less than 17 million last season. Because of the small crop in Ontario, farmers have fed less wheat this year, despite the shortage of feeds in this important livestock-producing Province.

CANADA: Production of wheat and quantity retained for feed,
by Provinces, 1937-38 to 1941-42

Province	1937-38	1938-39	1939-40	1940-41	1941-42
	<u>1,000 bushels</u>	<u>1,000 bushels</u>	<u>1,000 bushels</u>	<u>1,000 bushels</u>	<u>1,000 bushels</u>
Production a/					
Prince Edward Island..	238	180	165	238	245
Nova Scotia	51	54	45	55	47
New Brunswick	184	150	140	176	131
Quebec	879	758	577	522	567
Ontario	20,290	21,424	23,821	23,400	17,716
Manitoba	45,100	50,000	61,300	66,400	54,500
Saskatchewan	36,000	137,800	271,300	266,700	136,000
Alberta	75,700	148,200	161,400	180,700	88,500
British Columbia	1,768	1,444	1,875	1,999	1,695
Total	180,210	360,010	520,623	540,190	299,401
Retained for feed					
Prince Edward Island..	51	53	30	57	69
Nova Scotia	17	16	13	15	16
New Brunswick	35	36	48	64	52
Quebec	220	220	248	277	312
Ontario	8,684	16,700	17,000	14,508	10,807
Manitoba	2,181	2,687	3,024	4,325	6,000
Saskatchewan	3,238	5,662	7,499	11,199	16,000
Alberta	4,133	4,967	7,988	16,576	25,000
British Columbia	849	751	938	1,079	983
Total	19,408	31,092	36,788	48,100	59,239
Percentage of production retained	<u>Percent</u>	<u>Percent</u>	<u>Percent</u>	<u>Percent</u>	<u>Percent</u>
Prince Edward Island ..	21.4	29.4	18.2	24.0	28.2
Nova Scotia	33.3	29.6	28.9	27.3	34.0
New Brunswick	19.0	24.0	34.3	36.4	40.0
Quebec	25.0	29.0	43.0	53.1	55.0
Ontario	42.8	77.9	71.4	62.0	61.0
Manitoba	4.8	5.4	4.9	6.5	11.0
Saskatchewan	9.0	4.1	2.8	4.2	11.8
Alberta	5.5	3.4	4.9	9.2	28.2
British Columbia	48.0	52.0	50.0	54.0	58.0
Percentage of total	10.8	8.6	7.1	8.9	19.8

Dominion Bureau of Statistics, Ottawa.

a/ Production figures are for years 1937-1941.

Not only were total grain stocks smaller this year in Canada, but stocks remaining on farms at the end of March were much below those of

last season, when deliveries were strictly controlled as a result of heavy supplies and insufficient storage facilities. As a result of the reduction in wheat production in 1941, restrictions on deliveries of grain were suspended in December, and the greater part of the commercial crop has already moved to market, leaving only 82 million bushels on farms as compared with almost 171 million on March 31, 1941. Last year the movement to market continued in fair volume until the end of the season, when less than 15 million bushels were reported on farms. Farm stocks of the other grains on March 31 were also reduced this season, although the declines were not so marked as in the case of wheat.

NEAR EAST GRAIN CROPS REDUCED IN 1941 . . .

Although not substantiated as yet by official figures, the 1941 crops of wheat and barley in Iraq are reported to have been considerably reduced from those of recent years. The outturn of wheat is said to have been less than half the recent average harvest of 25.7 million bushels and of barley about 20 percent smaller. The average barley harvest is somewhat larger than that of wheat but the difference is small. Most of the reduction last year in both crops was attributed to ravages of the "Sunn" pest and other insects.

Next after dates, wheat and barley are the most valuable crops grown in Iraq. The principal item in the diet of the people is a disk-shaped loaf of bread made from wheat and barley flour. The production of these grains is concentrated largely in the northern part of the country; in southern areas the rainfall is so scant that irrigation is necessary for successful grain production. The attacks of the "Sunn" pest have caused considerable anxiety during the past 3 years because the wheat and barley crops have been particularly important in view of economic conditions resulting from the war. Swarms of the insects are reported to fly down from the Kurdish Mountains. They attack the wheat when the kernels are still in the soft, milky stage. By puncturing these and withdrawing much of their contents, the grains are rendered practically valueless, after which the insects move on to less mature fields. Another adverse factor last season was the absence of timely rains.

In Trans-Jordan, where wheat and barley are the principal crops, lack of rain reduced production in the north and caused a practical failure in the south. It is estimated that both wheat and barley returned about one-third of their 1940 production of 4.4 and 2.8 million bushels, respectively. Since in normal years, however, a surplus of these grains is available for export, no shortage of grain has been felt in the country. The 1941 crops, plus stocks on hand, are reported to

have been sufficient to fill domestic needs, particularly since all exports and imports have been made subject to license from the Government. No rationing measures have been introduced and none were contemplated early in March.

In Palestine, weather conditions were reported unfavorable for grain production in 1941, and despite an increase in acreage, the wheat crop was estimated at only about 3.1 million bushels as compared with the record outturn in 1940 of 5.1 million bushels. Syria and Lebanon are reported to have harvested 27.6 million bushels of wheat, an increase of 3 million bushels over 1940, but hoarding activities are said to have prevented the usual movement of surplus wheat from Syria to Palestine, which added to the difficulties experienced in the latter country this season in meeting domestic wheat requirements. A good barley crop was also reported in Syria and Lebanon, 18.4 million bushels as against 17.7 in 1940. No information has been received regarding the grain crops of Iran, but imports of wheat have been necessary to relieve the domestic food situation, and the Government has taken steps to encourage wheat production by announcing that a fixed price would be paid for the new crop equal to that prevailing in the country last fall. During 1935-1937, wheat production averaged about 75 million bushels a year. The outturn in 1940, however, was reported to have been short, and no increase in 1941 has been indicated by available information.

DENMARK REVISES BREAD REGULATIONS . . .

Regulations in Denmark governing the weight of rye bread were revised, as of February 1, from loaves weighing 1,200 and 600 grams (2.6 and 1.3 pounds), respectively, to 1,000 and 500 grams (2.2 and 1.1 pounds). At the same time, it was announced that one rationing coupon entitling the holder to purchase rye bread would be applied to a loaf weighing 500 grams (1.1 pounds), and the quantity of sifted rye flour purchasable with one rye-bread coupon was reduced from 500 grams (1.1 pounds) to 400 grams (0.9 pound).

Maximum prices at which bread from sifted rye could be purchased were set at 82 øre (17 cents, at the official rate of exchange) for a loaf weighing 1,000 grams and 41 øre (8.6 cents) for one weighing 500 grams.

Regardless of previous rulings printed on bread coupons, it was further stated that the exchange of coupons calling for rye and white bread for those entitling the holders to buy bread from mixed-grain flour would be governed as follows: Against 3 coupons, one of which could be applied to a purchase of 1,000 grams of rye bread and the other two to purchases of 300 grams (0.7 pound) of white bread each, a card of 4 coupons would be issued that could be used to purchase mixed-grain bread.

Denmark has fared better than most of the invaded European countries in the matter of bread rations, partly because rye plays a larger part in the diet of the people than wheat, and domestic production of the former has been much larger during the past 2 years than that of wheat. Unless recently changed, the monthly allowance of an adult was 8,000 grams (17.6 pounds) of rye bread and 2,100 grams (4.6 pounds) of white bread.

ARGENTINA HARVEST BUMPER RICE CROP . . .

The 1941-42 rice crop just being harvested in Argentina is officially estimated at 5,389,000 bushels, the largest on record. Last year's production of 2,743,000 bushels was small on account of unfavorable weather in some of the growing districts. Rice acreage and production have shown a marked upward trend since 1931 when the Government raised the import duty substantially on milled rice.

Rice imports into Argentina for the remainder of the year are expected to be insignificant. For many years Brazil has been the most important supplier of Argentine rice imports and the United States has frequently furnished substantial quantities.

ARGENTINA: Rice acreage, production, trade, and apparent domestic utilization, 5-year averages 1926-1935, annual 1936-1942 a/

Year of harvest	Acreage	Production		Imports	Exports	Apparent domestic utilization
		Rough	Cleaned			
	1,000 acres	1,000 bushels	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
Average						
1926-1930	10	377	11,187	148,639	309	159,517
1931-1935	25	1,054	31,292	85,612	584	116,320
Annual						
1936	32	1,642	48,770	49,973	922	97,821
1937	35	1,867	55,438	73,254	401	128,291
1938	40	2,325	69,856	68,506	143	138,219
1939	77	4,945	146,860	41,926	293	188,493
1940	76	4,752	141,138	15,090	578	155,650
1941	53	2,743	81,482	b/	1,393	-
1942	83	5,389	160,054	b/	b/	-

Compiled in Office of Foreign Agricultural Relations.

a/ In terms of milled rice. b/ Not available.

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V E G E T A B L E O I L S A N D O I L S E E D SARGENTINE GOVERNMENT TO PURCHASE
1941-42 SUNFLOWER-SEED CROP . . .

A preliminary forecast, according to a report received in the Office of Foreign Agricultural Relations, places the 1941-42 sunflower production in Argentina at 1.2 billion pounds from 1.9 million acres, the largest area and crop ever recorded. Because of the unusually large harvest, the Government has arranged to purchase the entire outturn. Production has increased annually since 1934-35, when the first official estimate of 136 million pounds was published, until Argentina now ranks second only to Russia in world production.

ARGENTINA: Area, production, and crushings of sunflower seed, and oil production, 1934-35 to 1941-42

Year	Area	Production	Seed crushed <u>a/</u>	Oil produced <u>a/</u>
	<u>1,000 acres</u>	<u>1,000 pounds</u>	<u>1,000 pounds</u>	<u>1,000 pounds</u>
1934-35 ...	207	136,284	68,257	14,129
1935-36 ...	306	162,095	161,464	35,414
1936-37 ...	511	228,046	248,582	61,274
1937-38 ...	788	531,320	496,538	122,674
1938-39 ...	824	595,242	532,150	128,845
1939-40 ...	1,249	716,495	665,990	162,245
1940-41 ...	<u>b/</u> 1,310	<u>b/</u> 826,725	<u>e/</u>	<u>e/</u>
1941-42 ...	<u>c/</u> 1,853	<u>d/</u> 1,212,530	<u>e/</u>	<u>e/</u>

Compiled from official sources.

a/ Annual 1935 to 1940. b/ Revised. c/ Preliminary. d/ Unofficial. Some trade sources place production at 1,323 million pounds. e/ Not available.

The sunflower as a plant has long been cultivated in Argentina, but its commercial exploitation, by Russian immigrants who settled in the Provinces of Buenos Aires, Santa Fe, and Entre Ríos, began about the turn of the century. There was no great increase in the size of the crop, however, until after the World War of 1914-1918, and estimates were not published by the Government until 1933-34.

The extensive spread of the sunflower on Argentine farms has been due to its value as both an independent and a supplementary crop. An important factor in the rapid development has been its supplementary character, which has brought it into cultivation throughout the entire cereal zone of the country. Proof of this was seen in the 1939-40 crop. After the loss of large wheat and flaxseed acreages, the sunflower was the only plant that could save the situation as a second crop on the ground where the cereal crop had been lost.

ARGENTINA: Production of sunflower seed,
1936-37, 1939-40, and 1940-41

Provinces and Territories	1936-37	1939-40 a/	1940-41 a/
	<u>1,000 pounds</u>	<u>1,000 pounds</u>	<u>1,000 pounds</u>
Buenos Aires	173,548	323,856	483,910
Córdoba	25,221	143,652	141,976
Santa Fe	13,265	118,607	79,145
Entre Ríos	5,324	25,750	22,619
Santiago del Estero	787	22,950	26,147
Salta	891	441	463
Tucumán	498	6,371	5,247
Corrientes	492	1,830	1,213
La Pampa	5,086	51,433	41,535
Chaco	1,995	18,298	19,753
Others	939	3,307	4,717
Total	228,046	716,495	826,725

Compiled from official sources. a/ Third estimate, subject to revision.

Another factor that favors its expansion is the fact that in various parts of the country there has been a great deal of progress in the mechanization of the labor of cultivating and harvesting, making the work comparatively independent of hand labor. Formerly, the supply of labor available was a decisive factor in determining where this plant could be grown.

Sunflower seeds are consumed as food, especially by persons of Slavic origin who eat them either raw or roasted. It is also used in the manufacture of poultry feed; in fact, this industry accounted for most of the seed until the early 20's. The first official data on crushings in Argentina appeared in 1924, when 116,000 pounds of oil were obtained from 622,000 pounds of seed. By 1940 the output had reached 162 million pounds and this product had become the most popular edible oil on the local market, practically replacing peanut and olive oil. The cake is valued both as feed for livestock and as an excellent fertilizer. When shelled kernels are used for the extraction of oil, the woody pericarp forms a byproduct which may be used for fuel, but the stalks are much better for this purpose.

If sunflower oil was exported, it was not separately classified until recent years. In 1938 shipments amounted to only 3.7 million pounds; the following year 11.4 million pounds were recorded; and in 1941 exports reached 38.7 million. Shipments of seed have varied from year to year, reaching their peak in 1940 when 52 million pounds were exported, principally to other South American countries. The shortage of shipping space in 1941 brought about a decrease in trade with foreign countries and exports of seed dropped to 39 million pounds.

ARGENTINA: Exports of sunflower seed by country of destination,
1935-1941

Country of destination	1935	1936	1937	1938	1939	1940	1941 a/
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
Australia	-	151	22	-	215	b/	-
Belgium	-	102	-	921	764	-	-
Brazil	3	3	17	4	-	b/	-
Canada	-	-	-	-	33	b/	-
Denmark	4,626	-	-	1,836	15,449	-	-
Japan	-	-	-	-	22	b/	-
Norway	-	-	-	540	2,198	-	-
New Zealand	-	-	18	23	113	b/	-
Netherlands	-	-	-	425	2,075	-	-
United Kingdom	-	432	-	378	-	b/	-
Uruguay	4,427	218	-	1,721	8,000	15,926	-
Other South American countries.	-	-	-	1	2,841	c/ 32,906	-
Others	1,296	2,286	-	296	2,452	3,360	-
Total	10,352	3,192	57	6,145	34,162	52,192	38,660

Compiled from official sources. a/ Not available by country of destination.
b/ If any, included with "Others." c/ All to Chile.

Early in 1941 the Grain Regulating Board took steps to provide relief for sunflower producers by establishing a minimum price for seed. The purchasing price was fixed at 10.50 pesos per 100 kilograms (\$1.42 per 100 pounds) delivered on railway cars in Buenos Aires. The Board agreed to sell sunflower seed to oil factories or other manufacturers at 12.00 pesos per 100 kilograms (\$1.62 per 100 pounds). If consumers made their purchases direct from the market they were required to pay the Grain Board 1.50 pesos per 100 kilograms (\$0.22 per 100 pounds).

In anticipation of a record harvest during the current season, the Argentine Government issued a decree on March 26, 1942, providing for the purchase of the new crop. Departing from the policy of fixed prices in the governmental purchase of grain crops, the purchase of the sunflower-seed crop will be on a "provisional" price basis with the possibility of additional payments to growers in the event that resale of the crop by the Government will permit a higher net price. The provisional price is 8 pesos per 100 kilograms (\$1.08 per 100 pounds) delivered on railway cars in Buenos Aires, and purchases were to begin on April 15. Provision is made for resale for domestic consumption at 12 pesos per 100 kilograms, or 4 pesos per 100 kilograms higher than the price to growers. Direct purchase by crushers from growers of sunflower seed is authorized on the condition that 4 pesos per 100 kilograms (\$0.54 per 100 pounds) processing or consumption fee is paid to the Grain

Regulating Board. Exports of sunflower seed and seed utilized in crushing for export must be purchased from the Grain Regulating Board at the price of 12 pesos per 100 kilograms (\$1.62 per 100 pounds).

For the first time in the course of the farm-aid program of guaranteed minimum prices adopted in 1933, the purchase of the sunflower-seed crop is made conditional on the promise by growers to reduced their 1942-43 plantings by 30 percent compared with the 1941-42 acreage, and not to utilize such acreage reduction for wheat, flaxseed, and corn. The Government states that in the event they are compelled to purchase the 1942-43 crop, funds assigned for the purchase of such a crop will not exceed 70 percent of the amount used in financing the current crop. This provision may be fully as effective in tending to bring about an acreage reduction, as a commitment by growers in regard to acreage reductions in the absence of adequate administrative machinery and check-ups.

It is provided also that the Grain Regulating Board will, on April 15, 1943, liquidate operations for the current crop, and profits, if any, will be distributed equally between the producer and the consumer. Stocks that the Government may hold on April 15, 1943, will be considered valueless. No indication is given as to how profits, if any, will be returned to consumers on the purchases made during the year ending April 15, 1943. Records of sales by individual growers will provide a basis for distributing a financial surplus among growers. Provision is also made that if it becomes evident during the marketing year that there will be a financial surplus, the Grain Board may immediately reduce the price of 12 pesos per 100 kilograms to crushers, with an understanding that such a reduction will be completely reflected in prices to consumers.

Financing of the crop is based on calculations involving a crop forecast of 550,000 metric tons (1,213 million pounds), domestic consumption of 300,000 tons (661 million pounds), and export sales of oil and of seed equivalent to 95,000 tons (209 million pounds) of seed. Provision is made in these calculations, therefore, of a resale at 12 pesos per 100 kilograms of approximately 400,000 metric tons (882 million pounds) against the purchase of 545,000 tons (1,202 million pounds) at 8 pesos. Resales would yield 48,000,000 pesos (\$14,291,000) compared with an investment by the Government of 46,000,000 pesos (\$13,696,000) in the purchase of the crop from growers, and in interest, commission, and storage charges.

It is pointed out by the Minister of Agriculture that the procedure adopted will avoid governmental losses in the financing of the crop, will stabilize domestic prices of oil, and will provide an opportunity for growers to participate in favorable market developments.

BRAZILIAN OILSEED EXPORTS REACH HIGH LEVEL IN 1941 . . .

Brazilian exports of the more important vegetable oilseeds, in terms of oil, amounted to approximately 400 million pounds in 1941, as compared with about 260 million the year before. Oiticica and castor oil showed the greatest percentage increase, although small in volume when compared with cottonseed oil. The United States continued to be the most important purchaser of oiticica and cottonseed oil, but shipments of castor oil to this country were only 10 percent greater than those destined for Germany. Small quantities of babassú and linseed oil were shipped to other Latin-American countries and to Switzerland. Coconut-oil exports were reported for the first time, and, while small in volume, it is significant that most of the oil went to Europe.

Castor-bean exports to the United States in 1941 broke all records, amounting to 431 million pounds. Small quantities were also shipped to Japan and Germany. Babassú kernels, cottonseed, peanuts, and sesame seed fell below the 1940 exports.

Prior to 1940, Brazil exported large quantities of cottonseed, principally to Great Britain. Since that time shipments have been restricted, as the seed is crushed and oil consumed within the country. Late in 1941 the Brazilian Government prohibited the exportation of cottonseed oil in order to insure sufficient supplies for domestic requirements. This restriction was the outgrowth of a number of factors which included the high price of imported olive oil, the shortage of lard resulting from smaller hog slaughter than usual, and the high prices for cottonseed oil in export markets. The Government also established wholesale and retail prices for cottonseed oil at Rio de Janeiro.

BRAZIL: Exports of oiticica oil, 1936-1941

Country of destination	1936	1937	1938	1939	1940	1941
	1,000	1,000	1,000	1,000	1,000	1,000
	<u>pounds</u>	<u>pounds</u>	<u>pounds</u>	<u>pounds</u>	<u>pounds</u>	<u>pounds</u>
United States	4,239	2,500	6,803	18,891	15,451	35,219
Italy	-	-	-	-	34	-
Germany	1,792	320	119	498	-	-
Netherlands	282	276	520	90	-	-
Great Britain	271	175	329	589	418	1,050
Union of South Africa .	-	-	-	-	15	105
Others	675	82	423	399	32 a/	236
Total	7,259	3,353	8,194	20,467	15,950	36,610

American Embassy, Rio de Janeiro.

a/ Includes 134,000 pounds to Argentina.

BRAZIL: Exports of castor beans and oil, 1936-1941

Country of destination	1936	1937	1938	1939	1940	1941
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
<u>Beans</u>						
United States ...	128,334	142,238	116,458	173,590	164,003	431,133
Belgium	34,075	50,681	32,136	12,347	331	-
Italy	13,380	23,468	6,847	15,985	43,455	-
France	26,429	20,132	34,771	20,602	-	-
Great Britain ...	22,245	20,889	51,718	21,585	-	9,912
Japan	43	758	9,263	12,187	42,025	37,989
Germany	486	2,608	7,554	5,603	5,291	9,489
Netherlands	-	3,545	18,218	13,049	1,559	-
Spain	-	-	-	-	1,353	-
Egypt	-	-	-	-	224	-
Others	-	49	536	1,228	789	485
Total	224,992	264,368	277,501	276,176	259,030	489,008
<u>Oil</u>						
Switzerland	-	-	-	320	791	132
Italy	41	-	-	132	534	-
Argentina	-	-	-	133	42	-
Norway	-	21	-	121	118	-
Sweden	-	-	-	103	377	-
Germany	758	379	25	211	356	4,107
United States ...	-	-	-	57	115	5,078
Others	67	46	282	209	344 a/	616
Total	866	446	307	1,286	2,677	9,932

American Embassy, Rio de Janeiro.

a/ 450,000 pounds to Canada.

BRAZIL: Exports of babassú kernels, 1936-1941

Country of destination	1936	1937	1938	1939	1940	1941
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
United States ...	66,632	48,369	66,036	106,878	90,348	68,968
Denmark	674	-	-	132	-	-
Germany	314	-	-	224	-	-
Great Britain ...	-	120	221	-	11	-
Venezuela	-	-	-	-	441	12,529
Chile	-	-	-	441	-	-
Others	194	-	332	-	1 a/	5,071
Total	67,814	48,489	66,589	107,675	90,801	86,568

American Embassy, Rio de Janeiro. a/ All to Colombia.

BRAZIL: Exports of cottonseed and oil, 1936-1941

Country of destination	1936	1937	1938	1939	1940	1941
	<u>1,000</u> <u>pounds</u>	<u>1,000</u> <u>pounds</u>	<u>1,000</u> <u>pounds</u>	<u>1,000</u> <u>pounds</u>	<u>1,000</u> <u>pounds</u>	<u>1,000</u> <u>pounds</u>
<u>Seed</u>						
Great Britain ...	174,825	138,264	125,051	115,238	16,929	2,130
Germany	1,378	4,897	10,097	4,718	-	438
Belgium	1,446	1,294	677	-	-	-
Netherlands	110	441	-	-	-	-
United States ...	-	44	-	-	-	-
Chile	-	-	-	-	21,115	-
Uruguay	-	-	-	-	2,220	-
Japan	-	-	-	-	1,102	3,188
Others	2,912	-	-	2,186	132	-
Total	180,671	144,940	135,825	122,142	41,498	5,756
<u>Oil</u>						
United States ...	45,598	43,131	55,556	31,636	11,797	51,295
Canada	-	-	-	-	17,320	9,605
Germany	2,167	2,147	3,274	882	3,594	1,981
Great Britain ...	1,417	1,008	8,529	11,460	12,596	9,245
Belgium	648	725	785	489	6,359	-
Netherlands	1,586	432	778	2,070	-	-
Sweden	-	-	-	-	2,540	-
Switzerland	-	-	-	-	1,521	999
Others	4	714	24	4,661	2,281	637
Total	51,420	48,157	68,946	51,198	58,005	73,762

American Embassy, Rio de Janeiro.

BRAZIL: Exports of peanuts and sesame seed, 1940 and 1941

Country of destination	Peanuts		Sesame seed	
	1940	1941	1940	1941
	<u>1,000</u> <u>pounds</u>	<u>1,000</u> <u>pounds</u>	<u>1,000</u> <u>pounds</u>	<u>1,000</u> <u>pounds</u>
United States	a/	-	325	47
Portugal	1,686	-	-	-
Morocco	243	-	-	-
Uruguay	108	-	-	-
Venezuela	-	-	1,092	485
Great Britain	-	-	331	-
French Guiana	-	32	-	-
Chile	-	-	168	-
Japan	-	-	119	-
Others	104	b/ 11	-	c/ 7
Total	2,141	43	2,035	539

American Embassy, Rio de Janeiro.

a/ Less than 500 pounds. b/ To Barbados. c/ To Argentina.

BRAZIL: Exports of copra and coconut oil,
1940 and 1941

Country of destination	Copra		Cocanut oil
	1940	1941	1941 <u>a/</u>
	<u>1,000 pounds</u>	<u>1,000 pounds</u>	<u>1,000 pounds</u>
Argentina	2	-	-
Germany	-	-	179
Martinique	-	-	41
Spain	-	54	-
Switzerland	-	-	165
Uruguay	1	-	-
Total	3	54	385

American Embassy, Rio de Janeiro

a/ There were no exports of coconut oil in 1940.

URUGUAYAN GOVERNMENT ESTABLISHES
PRICE FOR 1941-42 OILSEED CROP . . .

A Uruguayan decree dated February 24, 1942, fixed the price for certain oilseeds from the 1941-42 crop as follows: 8 pesos per 100 kilograms (\$2.39 per 100 pounds) of sound, dry, clean sunflower seed, and 12 pesos per 100 kilograms (\$3.58 per 100 pounds) of sound, dry, clean unshelled peanuts. Each manufacturer and dealer, and any business or individual who may purchase or sell seed from the 1941-42 crop must keep a record, where all such operations are shown, and must deliver monthly to the Sección Economía y Estadística Agraria of the Direction of Agronomy sworn statements as to purchases of such seed, along with other required data.

INDIAN CASTOR-BEAN CROP
SMALLEST IN MANY YEARS . . .

According to the summary of the all-India final and only forecast for 1941-42, the area under castor beans in practically all castor-growing tracts is placed at 931,000 acres as compared with the revised estimate of 1,021,000 acres for the previous year. Production is reported to be 99,680 short tons and the revised estimate for 1940-41 is 117,600 tons. This is the smallest crop since 1920-21 when only 94,000 short tons were harvested. There was very little export demand for Indian castor beans during the past year. The British Ministry of Food was the only important buyer.

C O T T O N - O T H E R F I B E R S

CANADIAN COTTON IMPORTS DECLINE SHARPLY . . .

Imports of cotton into Canada amounted to only 40,000 bales (of 478 pounds) in February 1942, compared with a record of 79,000 in the previous month. Imports from the United States declined from 39,000 to 21,000 bales, while those from Brazil declined from 38,000 to 16,000 bales. Transportation difficulties and lack of adequate storage space were the chief causes for the smaller arrivals.

New purchases also were lower for these reasons. Raw cotton stored in port warehouses that were to have been vacated by April 1 is being transferred to a number of smaller sheds and outdoor spaces for storage under tarpaulins. Discontinuation of the United States export subsidy after March 13, 1942, for cotton shipped to Canada was mentioned as a factor discouraging further immediate purchases for building stock piles. It was generally believed by Canadian buyers, however, that the Commodity Credit Corporation's current schedule of export prices would not be changed until after the end of June, and some increase in buying may be expected during June for later delivery.

Mill operations were maintained at capacity levels during February, limited only by a shortage of skilled labor. Consumption of cotton in February for all purposes was calculated by the Cotton Institute of Canada at 46,196 bales (of 500 pounds gross) against 46,512 for January. About 50 percent of the current production of cotton goods is for military orders, thus greatly reducing the quantities available for civilian needs in 1942.

A large lot of Brazilian cotton, originally destined for Japan and now stored in California, was offered to mills in eastern Canada at 12.20 cents (United States) per pound, landed in Montreal. American White Middling 15/16 inch was offered by the Commodity Credit Corporation on March 23 at 14.50 cents, landed in Montreal.

EGYPT'S COTTON EXPORTS
HIGHER THAN LAST YEAR . . .

Exports of cotton from Egypt were equivalent to 103,000 bales (of 478 pounds) in March 1942, compared with 20,000 in February, and 24,000 in March 1941. The cumulative total of 490,000 bales for the first 7 months of the current season (September-March), is considerably higher than the 385,000 bales exported during the corresponding period in 1940-41.

Egyptian press reports have attached considerable importance to the rapid increase in production of a long staple variety of cotton called

"Karnak" (ex-Giza 29) at the expense of nearly all other varieties grown in the Delta, particularly Zagora. The quality of Karnak cotton is only slightly inferior to that of Malaki, the longest stapled Egyptian variety, and the spinning value is appreciably better than that of Giza 7, another long staple variety. High-grade Malaki is directly competitive with low-grade Sea Island cotton.

Ginnings to the end of February 1942, totaled about 1,524,000 bales out of the estimated 1941-42 crop of 1,671,000 bales, including 31,000 bales of linters. About 35,000 bales of Karnak and 20,000 of Malaki had been ginned at that time, compared with total ginnings of 7,000 and 26,000 bales, respectively, 1940-41. A further increase in the production of these varieties is anticipated this year, although Government restrictions of acreage are expected to reduce the production of all cotton in Egypt to around 800,000 bales in 1942.

Stocks of cotton in Egypt at the end of February 1942, were officially estimated at about 2,399,000 bales, against 1,813,000 on the same date in 1941. Domestic consumption of 79,000 bales during the 6 months of 1941-42 under review compares favorably with last year's estimate of 72,000 bales.

COTTON PRODUCTION IN SALVADOR SHARPLY REDUCED . . .

The 1941-42 cotton crop in Salvador, picked during November to January, was estimated unofficially at 4,100 bales (of 478 pounds) compared with last year's record of 12,200 bales. The reduction was attributed to heavy locust and boll-weevil damage. The Cotton Growers Cooperative was organized in February 1941 to control marketing, and includes all important producers in the country.

EL SALVADOR: Cotton acreage, production, and yield, 1937-38 to 1941-42
(Bales of 478 pounds net)

Year	Acreage	Production	Yield per acre
	<u>Acres</u>	<u>Bales</u>	<u>Pounds</u>
1937-38	5,200	3,900	358
1938-39	6,900	4,100	284
1939-40	10,400	6,100	280
1940-41	17,300	12,200	337
1941-42	9,500	4,100	206

Compiled from unpublished records of the Cotton Growers Cooperative of Salvador.

Soil and climate in El Savador are generally suitable for cotton growing, but any permanent expansion of the industry will depend largely

on the extent to which insect pests can be controlled. The Cooperative is planning to plant about 26,000 acres this year, which normally would yield about 18,000 bales. Production in 1940 was about double the annual requirements of the five domestic mills. Exports of about 1,200 bales to Guatemala in 1940-41, destruction by fire of a large warehouse filled with cotton, and the exceptionally small crop of 1941 have reduced the current supply to little more than domestic mill requirements for 1942.

UGANDA COTTON CROP DAMAGED
BY HEAVY RAINS . . .

The 1941-42 Uganda cotton crop, picked during December-February, is reported to have sustained considerable damage in many areas from excessive rains that continued into the picking season. For this reason the official estimate of the 1941-42 crop was recently reduced from 305,000 to 268,000 bales (of 478 pounds) or slightly less than the 1940-41 crop of 272,000 bales.

LOWER SEA ISLAND COTTON CROP
IN BRITISH WEST INDIES . . .

The 1941-42 crop of Sea Island cotton in the British West Indies is estimated officially at 6,740 bales (of 478 pounds) from 22,260 acres, compared with estimates of 7,040 bales and 21,550 acres for the 1940-41 crop. Corresponding estimates for Marie Galante cotton were 795 bales and 5,700 acres for 1941-42 and 752 bales and 5,700 acres for 1940-41. The decline in production of Sea Island, despite a small increase in acreage, was attributed largely to damage in the southern part of Barbados by cotton leaf worms and high winds prevailing in January and February, just before and during picking. The production of "superfine" strains of Sea Island cotton (in Barbados, St. Vincent, and St. Lucia) amounted to about 1,410 bales in 1941-42 against 1,383 in 1940-41.

The entire 1940-41 crop (6,664 bales) of clean Sea Island lint was purchased by the British Ministry of Supply at 25 pence (41.93 cents) per pound for superfine and 22.5 pence (37.73 cents) for the Montserrat strain grown on the Leeward Islands. Arrangements for disposal of the second grade or stained cotton, amounting to about 377 bales in 1940-41, had not been completed at the time of reporting, March 18, 1942. The British purchasing arrangement, except for possible changes in prices, applies to all subsequent crops for the duration of the war. Cotton exports in 1941 included 6,737 bales of Sea Island and the 752 bales of Marie Galante.

T O B A C C O

TUNISIA PLANS TO INCREASE TOBACCO AREA . . .

Owing to the blockade and the insecurity of shipping routes, the Tunisian Tobacco Monopoly has recently introduced measures to increase the local tobacco acreage and thereby supplement to a greater extent the leaf supply normally imported principally from the United States. It is planned to extend the present tobacco areas and to open up new districts, particularly in the northern part of the country where hillside slopes are said to be adaptable to the culture of tobacco. Through the efforts of various agricultural groups and the French colonists' associations, a number of growers have tried tobacco production with apparent success. It is believed that in 1942 approximately 1,600 acres will be planted to tobacco, as compared with 740 acres in 1941. A normal yield per acre would produce a crop of about 1.5 million pounds in 1942 - a figure reached only a few times in the Tunisian industry.

As an inducement to growers, the monopoly administration has increased producers' prices from 700 francs to 1,200 francs per quintal (7.2 to 12.4 cents per pound); and the customary bonus for choice tobacco has also been increased. The bonus formerly amounted to about 1 cent per pound. The administration thus hopes to meet the difficulties arising from the war and possibly to render Tunisia less dependent upon outside sources for its leaf supply.

TUNISIA: Area, production, and yield of tobacco, 1931-1942

Year	Area	Production	Average yield per acre
	<u>Acres</u>	<u>Pounds</u>	<u>Pounds</u>
1931	1,658	1,636,695	987
1932	1,295	1,361,781	1,052
1933	969	1,125,448	1,161
1934	1,240	1,432,329	1,155
1935	1,077	1,311,957	1,218
1936	1,095	1,580,037	1,443
1937	974	1,232,371	1,265
1938	815	849,212	1,042
1939	1,063	1,035,000	973
1940	1,198	1,166,968	974
1941	741	a/ 740,000	-
1942	b/ 1,600	a/ 1,500,000	-

Statistique Général de la Tunisie; reports of the International Institute of Agriculture, Rome, and of the American Consulate in Tunis.

a/ Approximated from yields of earlier years. b/ Forecast.

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F R U I T S, V E G E T A B L E S, A N D N U T S

CUBAN GRAPEFRUIT CROP PROSPECTS . . .

The early Cuban grapefruit crop, which is produced principally on the Isle of Pines, is stated to be in excellent growing condition and sizing well. It is believed that exports, which take place in August and September, will be approximately 125,000 standard 80-pound crates. Exports in 1940 and 1941 were 152,962 and 150,314 crates, respectively, all of which went to the United States.

Comparative statistics of exports during the period since the Trade Agreement went into effect in 1934 are as follows:

ISLE OF PINES: Grapefruit exports, 1934-1941

Year	United States	United Kingdom	Total
	<u>Crates</u>	<u>Crates</u>	<u>Crates</u>
1934	109,961	65,662	184,742
1935	56,389	41,172	109,850
1936	122,561	63,627	198,998
1937	122,815	21,377	144,552
1938	55,796	32,531	88,327
1939	55,618	20,533	76,151
1940	152,962	-	152,962
1941	150,314	-	150,314

Compiled from official sources.

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MEXICAN EXPORTS OF FRESH VEGETABLES
TO UNITED STATES SHOW INCREASE . . .

The exportation to the United States of Mexican fresh vegetables during the 1941-42 season to March 31, totaled 85,963,734 pounds, as compared with 70,672,752 pounds for the same period during 1940-41 and 29,473,744 pounds in 1939-40. The bulk of the increase was in tomatoes and green peppers, while a decline was registered in green peas and eggplant.

Growing conditions on the West Coast of Mexico have continued to be good, with little or no damage to the crops by disease or insect pests. There is abundant water for irrigation purposes in the streams, and heat has not been excessive.

MEXICO: Exports of vegetables to the United States, beginning of season to March 31, 1942, with comparisons

Kind of vegetable	Beginning of season to		
	March 31, 1940	March 31, 1941	March 31, 1942
	<u>Pounds</u>	<u>Pounds</u>	<u>Pounds</u>
Tomatoes	22,812,912	61,554,176	74,526,773
Green peas	2,648,856	2,377,517	1,197,236
Green peppers	3,733,793	5,800,728	9,945,579
Green beans	1,288	250	37,628
Eggplant	276,875	353,509	256,518
Squash	-	572	-
Lima beans	20	-	-
Total	29,473,744	70,672,752	85,963,734

Compiled from official sources.

The above quantities of vegetables were shipped in carload lots as follows:

MEXICO: Shipments of vegetables to the United States, 1939-40 to 1941-42

Kind of vegetable	1939-40	1940-41	1941-42
	<u>Cars</u>	<u>Cars</u>	<u>Cars</u>
Tomatoes	1,095	2,965	3,521
Green peas	130	162	91
Green peppers	137	248	413
Eggplant	1	2	1
Green beans	-	-	1
Mixed	50	62	38
	1,413	3,439	4,065

Compiled from official sources.

It is reported that the peak of the season for tomato shipments has been reached and that declines in carloadings are to be expected. The heavy increase of tomato shipments has been partially attributed to the damage reported to the Florida crops. The exportation of tomatoes to the United States is expected to cease when early Texas tomatoes begin to roll to market in good volume during May. It has been reported that the quality of Mexican tomatoes has been good and prices were well maintained through most of the season. The shipment of green peas had stopped entirely by March 31, as had that of green beans. There were no shipments of squash and lima beans during the present season, while eggplants showed a decline.

The export of green peppers almost doubled in volume over that of the 1940-41 season and nearly trebled that of the 1939-40 season. The quality of the shipments is reported excellent, and growers have enjoyed a prosperous season.

L I V E S T O C K A N D A N I M A L P R O D U C T S

HIGH CATTLE AND BEEF PRICES IN UNITED STATES STIMULATE IMPORTS . . .

Cattle and beef imports into the United States were unusually large in 1941, and the total, on a dressed-weight basis, reached 511 million pounds or 8.1 percent of federally inspected slaughter. Last year imports were below the average for the 5 years 1936 to 1940. In 1939 imports constituted an even larger percentage of production than in 1941.

The high level of industrial activity in the United States and the increased number of men under arms have greatly stimulated the demand for beef. The resulting high prices have attracted imports of cattle from nearby countries. Both Canada and Mexico have marketed larger numbers of dutiable cattle in the United States than a year ago, while Cuba and South American countries have increased exports of beef to this country. The farm price of beef cattle in the United States rose to \$10.26 per 100 pounds on March 15 against \$8.27 a year earlier.

UNITED STATES: Imports of cattle and beef, domestic slaughter, and farm price, 1930-1941

Year	Cattle (duti- able) b/	Imports a/ Dressed-weight basis				Federally inspected slaughter of cattle & calves dressed- wt. basis c/	Percent- age imports are of inspected slaughter	Average farm price per 100 pounds of beef cattle d/
		Cattle (duti- able)	Canned beef	Other beef	Total cattle and beef			
		1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	Percent	Dollars
1930 ..	226,273	49,697	140,263	19,459	209,419	4,704,316	4.5	7.71
1931 ..	85,570	17,797	48,494	3,494	70,256	4,751,470	1.5	5.53
1932 ..	95,407	19,200	61,598	1,697	82,495	4,394,048	1.9	4.25
1933 ..	63,329	9,829	103,360	970	114,159	5,045,919	2.3	3.75
1934 ..	57,679	11,091	116,685	1,149	128,925	5,602,186	2.3	4.13
1935 ..	364,623	105,009	190,658	10,248	305,915	5,167,023	5.9	6.06
1936 ..	399,113	127,075	219,509	6,200	352,784	5,969,908	5.9	5.82
1937 ..	494,946	153,600	200,243	6,592	380,435	5,374,285	7.1	7.01
1938 ..	424,300	124,332	196,493	3,239	330,064	5,379,425	6.1	6.57
1939 ..	753,470	220,818	214,657	4,617	440,092	5,362,515	8.2	7.13
1940 e/	630,211	182,761	153,363	14,166	350,290	5,539,115	6.3	7.56
1941 e/	733,382	208,027	260,836	41,705	510,568	6,338,308	8.1	8.79

Compiled from official sources. a/ Imports for consumption. b/ Includes a few dairy cattle from Canada. c/ Averaged 68 percent of estimated total slaughter (dressed weight) in 1940. d/ Revised. e/ Preliminary.

Exports of beef and veal from the United States during 1941 also increased, and while small compared with imports, totaled 9,329,000 pounds, an increase of 19 percent compared with 1940.

Cattle imports

Dutiable-cattle imports into the United States in 1941, exclusive of dairy cattle, totaled 720,000 head and were 16 percent larger than in 1940, but 4 percent smaller than the record number imported in 1939. Although Mexico shipped over twice as many cattle to the United States as Canada did in 1941, the bulk was in the weight class of 200 to 699 pounds.

UNITED STATES: Dutiable-cattle imports by weight classes, 1936-1941

Country and year	700 pounds and over			Under 700 pounds			Total dutiable cattle
	Dairy	Others	Total	Under 200 pounds a/ a/	200 to 699 pounds b/ b/	Total	
	Number	Number	Number	Number	Number	Number	Number
<u>CANADA</u>							
1936 ...	6,676	136,533	143,219	55,695	35,149	90,844	234,063
1937 ...	6,723	157,468	164,191	80,792	50,355	131,147	295,338
1938 ...	7,442	75,529	82,971	45,645	9,147	54,802	137,773
1939 ...	8,570	172,753	181,323	81,832	11,229	93,061	274,356
1940 c/	9,595	125,004	134,599	74,681	10,076	84,757	219,356
1941 ...	13,387	151,216	164,603	62,419	10,192	72,611	237,214
<u>MEXICO</u>							
1936 ...	0	22,190	22,190	1,615	140,241	141,856	164,046
1937 ...	0	24,792	24,792	1,259	172,717	173,976	198,768
1938 ...	0	49,740	49,740	2,062	233,752	235,814	285,554
1939 ...	0	55,232	55,232	33,259	390,074	423,333	478,565
1940 c/	0	44,715	44,715	29,921	336,207	366,128	410,843
1941 ...	0	54,253	54,253	39,776	402,120	441,896	496,149
<u>TOTAL d/</u>							
1936 ...	6,689	158,873	165,562	57,314	176,237	233,551	399,113
1937 ...	6,724	182,333	189,057	82,052	223,837	305,889	494,946
1938 ...	7,446	125,315	132,761	47,708	243,553	291,261	424,022
1939 ...	8,606	228,001	236,607	116,216	401,747	516,963	753,570
1940 c/	9,600	169,720	179,320	104,602	346,289	450,891	630,211
1941 ...	13,387	205,488	218,875	102,195	412,312	514,507	733,382

Compiled from official records, Bureau of Foreign and Domestic Commerce.

a/ Under 175 pounds prior to January 1, 1939, in second agreement with Canada.

b/ 175 to 699 pounds prior to January 1, 1939.

c/ Preliminary.

d/ Includes a few head from countries other than Canada and Mexico.

Imports of heavy cattle from Canada in 1941, reported at 151,216 head, again failed to exceed the annual quota of 193,950 allotted that country at the reduced rate of 1.5 cents per pound. The import quota for the last quarter was exceeded, however, by 3,745 head and the full duty of 3 cents per pound was paid on imports in excess of the quota.

The quota for the first quarter of 1942 was filled as nearly as seemed practicable in view of the risk individual exporters incurred of being obliged to pay 3 cents instead of 1.5 cents per pound. The large export movement, anticipated after the beginning of the second quarter, materialized. Imports into the United States through April 9 totaled 46,841 head. Exports of beef from Canada to non-Empire countries were prohibited, except under license, on March 26, 1942, and the possibility of restricting cattle exports is being considered. Packers complain that the scarcity of slaughter cattle has raised cattle prices to a point where the necessary margin of profit cannot be obtained. However, the Dominion Department of Agriculture is reluctant to discourage cattle feeders by controlling exports and depressing the price of grain-fed cattle soon to be marketed. Alternatives would be either to raise the price ceiling or grant a temporary subsidy. Canadian cattle numbers reached the high level of 8,605,000 head as of January 1, 1942, an increase of 3 percent above 1940. Expectations are that by June, the number will have reached about 9 million head. During the World War of 1914-1918 cattle numbers increased from 6 to 10 million.

Heavy-cattle imports from Mexico in 1941 exceeded the annual quota of 31,050 allotted all other countries, as imports totaled 54,253 head. The quarterly quota of 8,280 allotted to countries other than Canada was exceeded by Mexico each period. For the first quarter of 1941, the quota was exceeded in the early part of January and that for the second quarter by April 9.

The perennial dispute in the State of Chihuahua, northern Mexico, between cattlemen and meat dealers is more bitter than usual this year. It is claimed by retail meat men that the better prices obtained in the United States are drawing out of the country beef reserves which usually supply domestic consumers and that, as a consequence, prices are soaring and beef is not available for the poorer classes.

Means suggested to the Chihuahua State Government for restricting cattle exports are (1) to enforce the apportionment of 5 percent of the cattle production to local consumption, (2) to demand increases in export taxes if necessary, (3) to effect the reduction of slaughter-house taxes, (4) to eliminate middlemen, and (5) to fix prices for various qualities and cuts of meats. Chihuahua cattlemen state that a sufficient supply is furnished the local market annually (about 62,000 head). It is pointed out, however, that about 76 percent of the cattle slaughtered in the border city (Ciudad Juarez) eventually is marketed on the American side. Shipments to other parts of Mexico average about 30,000 head annually.

Cattle on the ranges of the State of Chihuahua have increased in the past few months. Grazing is reported as good throughout the district, while winter feeding conditions were the best for several years. The State of Chihuahua exports approximately 200,000 head of cattle per annum to the United States or 95 percent of the local production. Chihuahua furnished about 63 percent of Mexican shipments, most of the remainder originating in Sonora.

Owing to the limitation of the United States heavy-cattle quota for countries other than Canada to 31,050 head, three-fourths of the Mexican cattle shipped to the United States fall within the stocker and feeder weight groups of 200 to 699 pounds for which the full duty of 2.5 cents must be paid. Cattlemen in Mexico contend that in view of Mexico's cattle surplus, they should be entitled to a larger share of the heavy-cattle quota than the 13.8 percent allotted to countries other than Canada.

UNITED STATES: Quarterly imports of cattle of 700 pounds and over, other than dairy cattle, from Canada and Mexico, 1940 and 1941 a/

Quarter	1940		1941	
	Canada b/	Mexico c/	Canada b/	Mexico c/
	Number	Number	Number	Number
First	19,441	15,267	23,149	11,893
Second	37,752	9,930	26,485	13,610
Third	30,523	5,642	46,117	15,660
Fourth	37,288	13,876	55,465	13,090
Total	125,004	44,715	151,216	54,253

Compiled from official records, Bureau of Foreign and Domestic Commerce.

a/ Annual United States import quota from all countries at the reduced rate of 1.5 cents per pound fixed at 225,000 head. The present allocation for Canada is 193,950 head, or 86.2 percent of the total, the remainder, or 31,050 head, being allocated to other countries.

b/ Quarterly allocation 51,720 at reduced rate, all entries exceeding that amount to pay regular duty of 3 cents per pound.

c/ Quarterly quota for all other countries, excluding Canada, 8,280 head, at reduced rate of 1.5 cents.

Beef and veal imports

Beef imports into the United States in 1941 totaled 302 million pounds, on a dressed-weight basis, an increase of 81 percent above 1940. Canned-beef imports, principally from South American countries, amounted to 261 million pounds and increased 71 percent above 1940. Argentina contributed 57 percent of the total, Brazil 21 percent, Uruguay 35 percent, and Paraguay 9 percent.

UNITED STATES: Canned-beef imports, by principal countries, 1937-1941
(Actual weight)

Year	Argentina	Brazil	Paraguay	Uruguay	Total <u>a/</u>
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
1937	41,360	9,786	2,100	34,751	88,097
1938	33,902	14,594	4,271	25,772	78,597
1939	34,723	17,885	5,849	27,364	85,870
1940	29,873	20,038	4,661	6,739	61,345
1941	59,043	21,602	9,230	14,104	104,334

Compiled from official records, Bureau of Foreign and Domestic Commerce.
a/ Includes a small quantity, under 100,000 pounds, from other countries.

Chilled-beef imports from Cuba were more than three times as large as in 1941, and amounted to 35 million pounds, actual weight, or 91 per cent of the total. New Zealand supplied 3 million pounds, the remainder being from Canada and Australia. Pickled beef imports totaled only 3 million pounds, chiefly from Uruguay, Canada, and Australia.

UNITED STATES: Imports of fresh, chilled, or frozen, and pickled
beef and veal, 1940 and 1941
(Actual weight)

Country	Fresh, chilled, or frozen		Pickled		Total	
	1940	1941	1940	1941	1940	1941
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
Canada	492	191	34	722	526	913
Cuba	11,221	35,055	3	563	11,224	35,618
Australia	430	153	0	0	430	153
New Zealand	550	3,120	0	0	550	3,120
Argentina	0	1	4	102	4	103
Brazil	0	0	125	143	125	143
Uruguay	0	0	1,248	1,406	1,248	1,406
Total	12,693	38,520	1,414	2,936	14,107	41,456

Compiled from official records, Bureau of Foreign and Domestic Commerce.

Cold-storage holdings of beef and veal in the United States as of April 1, 1942, totaled 146 million pounds against 90 million pounds on the corresponding date in 1941 and an average of 79 million pounds for the 5 years 1936 to 1940.

DAIRY PRODUCTION INCREASES
IN EXPORTING COUNTRIES . . .

Ever since the United Kingdom lost continental European sources of supply, there has been an increasing pressure upon non-European countries to produce larger quantities of dairy products in order to supply British requirements. Further demands upon the dairy industries were made by greater domestic consumption as a result of increased industrial activity and larger military forces.

In general, the exporting countries succeeded in meeting these growing requirements by raising their production during 1941. Barring adverse climatic, farm-labor, and price conditions, there will be further increases in 1942 and 1943.

United States

Production of milk and manufactured dairy products in the United States for 1942 is expected to be larger than in 1941, but recent increases fail to indicate that the 1942 production goals will be reached. The 1942 production goals with 1941 production in parentheses are as follows: for milk, 125 billion pounds (115 billion); for creamery butter, 2,080 million pounds (1,898 million); for cheese, 1,075 million pounds (917 million); for condensed and evaporated milk, 4,320 million pounds (3,265 million); and for dry skim milk, 619 million pounds (475 million). The increase in production will largely go to exports for the lend-lease program.

Canada

Severe droughts in the leading dairy Provinces of Quebec and Ontario during the summer of 1941 made it necessary to curtail domestic consumption in order that exports of 112 million pounds of cheese to the United Kingdom could be made possible. The Canadian Legation reports that actually 115 million pounds were exported. The 1940 contract was for a minimum of 78.4 million pounds, and 92.3 million pounds were actually exported.

The 1942-43 contract, recently culminated, calls for a minimum export of 125 million pounds of Canadian cheese. Should this be accompanied by a favorable pasture season and high prices, it would bring about an appreciable increase in cheese production for the next contract year.

There is no desire to increase butter production at the expense of cheese. Nearly all of the butter produced is consumed in Canada. Production of creamery butter for the first quarter of 1942 showed a decrease of 6.9 percent as compared with the same period in 1941. Cheese production increased nearly 300 percent for this same period in 1942.

New Zealand

Dairy farmers experienced a good season in New Zealand in 1941-42. This was due to exceptionally wet weather, rain falling two or three times a week in the dairy-producing areas. The Government's policy to increase cheese production caused a conversion of a number of factories from butter to cheese manufacture. As a result, the amount of butter produced in 1941 declined to approximately 246 million pounds, while the cheese output, stimulated at the request of the British Ministry of Food, was augmented to an estimated 358 million pounds for the year ended March 31, 1942.

Australia

Indications are that in the 1941-42 season, cheese production will show an increase and butter production a further decrease in Australia. Unprecedented droughts resulted in decreased butter and cheese production for 1941. The British Government agreed to take, under contract, 127.7 million pounds of choicest and first-grade butter for the third year of the war. At present Britain prefers that Empire countries produce for export smaller quantities of butter and larger quantities of cheese, and is prepared to take any amount of Australian cheese that may be manufactured. Many practical difficulties have been experienced in switching from butter production to cheese manufacture. Unless this conversion is speeded up and climatic conditions improve, Australia's potentialities as a dairy producer will be seriously affected.

Union of South Africa

There was a further increase in the production of creamery butter in the Union of South Africa over that of 1940. During the 12 months ended August 31, 1941, creameries produced more than 45 million pounds of butter, an increase of 892,000 pounds over the previous year. Owing to drought in Southwest Africa, however, the production of that Territory, together with that of the Bechuanaland Protectorate and Swaziland, decreased by more than 3 million pounds. The total production of factory cheese remained about the same as that of 1940. As a result of increased domestic consumption, the export of butter and cheese showed a marked decline. Only about 7.5 million pounds of butter were exported, and the export of cheese was insignificant.

Argentina

Growing demands for Argentine dairy products from the United Kingdom and the United States resulted in a 21-percent increase in 1941 cheese production and a 16-percent increase in butter production. While butter was the chief export in 1940 and 1941, cheese increased by 232 percent. Foods with high protein content, such as cheese, are in greater demand by the United Kingdom. Such demands on the Argentine dairy producers will no doubt influence production to a higher degree in the next few years.

BUTTER: Production in specified non-European countries, 1936-1941

Country	1936	1937	1938	1939	1940	1941 <u>a/</u>
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
United States	2,152	2,132	2,286	2,268	2,270	2,291
Creamery only	1,629	1,624	1,786	1,782	1,836	1,898
Canada	360	355	372	371	363	<u>b/</u> 400
Creamery only	251	247	267	267	267	286
Argentina	70	68	66	76	<u>b/</u> 84	<u>b/</u> 96
Creamery only	70	67	64	75	82	95
Brazil	59	70	79	95	-	-
Creamery only	46	51	60	-	-	-
Australia <u>c/</u>	434	396	430	456	475	434
Creamery only	411	372	410	436	456	415
New Zealand creamery <u>d/</u>	372	393	365	326	348	246
Union of South Africa .	47	43	44	49	<u>b/</u> 62	<u>b/</u> 63
Creamery only <u>e/</u>	32	30	31	36	44	45

Compiled from official sources.

a/ Preliminary. b/ Estimate. c/ Year ending June 30. d/ Year ending March 31. e/ Year ending August 31.

CHEESE: Production in specified non-European countries, 1936-1941

Country	1936	1937	1938	1939	1940	1941 <u>a/</u>
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
United States	643	649	725	709	784	917
Canada	119	131	124	125	142	149
Argentina	72	74	94	115	117	<u>b/</u> 142
Brazil	-	-	71	93	-	-
Factory	60	57	59	-	-	-
Australia <u>c/</u>	39	45	57	66	70	61
Factory	38	44	56	65	69	60
New Zealand <u>d/</u>	198	205	198	191	216	336
Union of South Africa <u>e/</u>	11	11	12	-	14	14

Compiled from official sources.

a/ Preliminary. b/ Estimate based on 11 months' figures. c/ Year ending June 30. d/ Year ending March 31. e/ Year ending August 31.

DAIRY PRODUCTS: Latest indications of production with comparison

Country	Period	1941 (or 1940-41)	1942 (or 1941-42)	Percentage increase or decrease last year
<u>Butter</u>		<u>Million pounds</u>	<u>Million pounds</u>	<u>Percent</u>
United States	Jan.-Mar.	415.7	378.4	-9.0
Canada	Jan.-Mar.	34.1	31.8	-6.9
Australia	July-Oct.	121.3	117.4	-3.2
New Zealand	Aug.-Nov.	a/ 214.9	a/ 170.1	-20.8
Union of South Africa	Sept.-Dec.	13.7	9.4	-31.4
<u>Cheese</u>				
United States	Jan.-Nov.	120.0	184.8	+54.0
Canada	Jan.-Mar.	3.5	13.7	+296.4
Australia	July-Oct.	22.0	24.0	+9.1
New Zealand	Aug.-Nov.	88.5	109.7	+24.0
Union of South Africa	Sept.-Dec.	4.8	4.3	-10.4
<u>Condensed milk</u>				
United States b/	Nov.-Jan.	18.8	17.6	-6.4
Canada c/	Oct.-Dec.	4.6	6.8	+47.8
<u>Evaporated milk</u>				
United States b/	Dec.-Feb.	487.2	894.6	+83.6
Canada c/	Oct.-Dec.	26.1	29.1	+11.5
<u>Casein</u>		<u>1,000 pounds</u>	<u>1,000 pounds</u>	<u>Percent</u>
Argentina	Sept.-Nov.	13,926	16,568	+19.0
Canada	Oct.-Dec.	111	211	+90.1

Compiled from official sources.

a/ Gradings for export. b/ Case goods, unskimmed. c/ Whole-milk products.

BRAZIL CONSERVES BREEDING STOCK . . .

The National Department of Animal Production of Brazil restricted the slaughter of cows and prohibited the slaughter of female calves as of March 5, 1942, in order to conserve breeding stock. Increased slaughter for export in recent months and the lack of a reserve of animals ready for slaughter have caused this step to be taken. These restrictions are not expected to materially reduce meat exports in the future but rather to insure that cattle numbers will be maintained in order to provide larger exports on a long-time basis. The rulings established the percentage of cows which may be killed in 1942 in establishments under federal inspection. The percentages vary with the different regions of Brazil and range from 15 to 70 percent of the total number of cattle killed in each establishment. The slaughter of female calves is entirely prohibited, except those which are unfit for breeding purposes.

* * * * *

GENERAL AND MISCELLANEOUSTURKEY AND SWITZERLAND SIGN
NEW TRADE AGREEMENT

A new trade agreement between Turkey and Switzerland was signed at Ankara on March 28, 1942, according to information received by the Office of Foreign Agricultural Relations. As the former agreement of May 30, 1940, was not renewed by August 1, 1941, no agreement has governed economic relations between the two countries since that date. Under present conditions the agreement envisages reciprocal deliveries of merchandise within possibilities of supplies rather than rigid quotas of individual items.

According to the new agreement, Turkey engages to facilitate exports to Switzerland of feedstuffs (especially oil cake), raisins, olives, peanuts, tobacco, raw hides, oleaginous fruits, carpets, and possibly cotton, wool, and certain metals. Switzerland undertakes to export to Turkey machinery, watches, instruments, pharmaceutical and chemical products, and certain cotton textiles. Payment for merchandise will be effected by private compensation or through free currencies. This will offset delivery against delivery and merchandise from other countries. Provision has also been made for the resumption of servicing Turkish public debt held in Switzerland as well as transfer of certain private Swiss financial credits.

CANADA MOVES TO SAFEGUARD
AGRICULTURAL LABOR

Canadians wholly or mainly employed in agriculture are now receiving deferments from military service, according to an order dated March 21. The order states that such workers shall be granted postponements from time to time until further notice "unless it is established ... that such person is not an essential worker in agriculture, or that such person has at any time subsequent to the 23rd day of March 1942, ceased to be actually employed or engaged in agriculture ... and such postponement order shall be an allocation of such person to agriculture."

The agricultural labor situation in both the United States and Canada has assumed a prominent position in the plans of these countries for the prosecution of the war effort. The military services and industrial plants have drawn farm workers away from the land to a degree that in some areas has hindered plans for the coming agricultural season.

The White House statement of April 10, 1942, announcing the United States-Canadian arrangement for facilitating the North American production

of feed grains and oil-bearing crops recognized the difficulties likely to arise with respect to farm labor. On the subject of labor, the release stated that steps would be taken "to facilitate the seasonal movement of farm labor across the common boundary under such rules and regulations as will further the efficient distribution of labor for peak requirements.

"Seasonal requirements for farm labor, especially in adjacent areas of Canada and the United States ordinarily occur in a time sequence that gives opportunity for the movement of such labor, especially at planting and harvest time when labor shortage caused by the war might have serious effects on farm production in many localities on both sides of the border."

FOREIGN EXCHANGE . . .

EXCHANGE RATES: Average value in New York of Chinese, Japanese, and some European currencies during last full months for which rates were available a/

Country	Unit	Month	Value in United States currency
			Cents
Belgium	Belga	April 1940	16.89
Denmark	Krone	March 1940	19.31
France	Franc	May 1940	1.85
Germany <u>b/</u>	Reichsmark	May 1941	39.97
Greece <u>b/</u>	Drachma	September 1940.	0.66
Italy <u>b/</u>	Lira	May 1941	5.09
Netherlands	Guilder	April 1940	53.08
Norway	Krone	March 1940	22.71
Portugal	Escudo	May 1941	4.00
Spain <u>b/</u>	Peseta	May 1941	9.13
Sweden	Krona	May 1941	23.84
Switzerland	Franc	May 1941	23.20
China <u>b/</u>	Yuan (Shanghai)	June 1941	5.34
Japan	Yen		23.44

Federal Reserve Board.

a/ Noon buying rates for cable transfers. Last daily rate reported on April 8, 1940, for the Danish and Norwegian kroner, now officially equal to 0.52 and 0.60 reichsmarks respectively; on May 9, 1940, for the belga and guilder, now officially equal to 0.40 and 1.33 reichsmarks respectively; on June 15, 1940, for the French franc, now officially equal, in the occupied area, to 0.05 reichsmarks; on October 26, 1940, for the drachma; on June 14, 1941, for the other European countries; and on July 26, 1941, for the yen and yuan (Shanghai).

b/ Quotations nominal.

EXCHANGE RATES: Average value in New York of specified currencies,
April 18, 1942, with comparisons a/

Country	Monetary unit	Year 1941	Month				Week ended		
			1940	1941	1942		1942		
			March	March	Feb.	March	April 4	April 11	April 18
			Cents	Cents	Cents	Cents	Cents	Cents	Cents
Argentina <u>b/</u>	Paper peso	29.77	29.77	29.77	29.77	29.77	29.77	29.77	29.77
Australia <u>c/</u>	Pound	321.27	299.50	321.30	321.50	321.50	321.50	321.50	321.50
Brazil <u>d/</u>	Milreis	5.07	5.03	5.06	5.14	5.14	5.14	5.14	5.14
British India	Rupee	30.14	30.18	30.14	30.12	30.12	30.12	30.12	30.12
Canada <u>c/</u>	Dollar	87.32	82.88	84.98	88.42	87.66	86.87	86.82	87.00
Mexico <u>e/</u>	Peso	20.54	16.65	20.53	20.56	20.47	20.58	20.58	20.57
New Zealand	Pound	322.54	300.72	322.55	322.78	322.78	322.79	322.78	322.78
South Africa	Pound	398.00	398.00	398.00	398.00	398.00	398.00	398.00	398.00
United Kingdom <u>c/</u>	Pound	403.18	375.91	403.19	403.50	403.48	403.47	403.50	403.49

Federal Reserve Board.

a/ Noon buying rates for cable transfers.

b/ Official, regular exports. The special export rate of 23.70 cents, reported beginning March 27, 1941, applies to exchange derived from certain minor exports (e.g. dairy products) to certain countries (e.g. United States), such exchange formerly having been sold in the free market. Quotations nominal.

c/ Free. Official rates: Australia 322.80 cents; Canada 90.91 cents; United Kingdom 403.50 cents. Most transactions between these countries and the United States must take place at the official buying and selling rates.

d/ Free. Since April 10, 1939, 30 percent of the exchange derived from exports must be turned over at the official buying rate of 6.06 cents, the weighted average value of the milreis being 5.37 cents in 1941, 5.42 cents in March 1942 and 5.42 cents in the week ended April 18, 1942. Quotations nominal.

e/ Quotations nominal for 1940 and 1941.

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